



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

SEP 11 2013

Department of the Interior Acquisition Policy Release (DIAPR) 2013-10

Subject: **Equipment Lease or Purchase**

References: Federal Acquisition Regulation (FAR) Subpart 7.4, *Equipment Lease or Purchase*; Government Accountability Office Report, *Air Force and Interior Can Benefit from Additional Guidance When Deciding Whether to Lease or Purchase Equipment*, Feb 7, 2012 (GAO-12-281R); and Joint Memorandum from the Office of Financial Management (PFM) and the Office of Acquisition and Property Management (PAM), *Guidance on Lease versus Purchase Analysis and Capital Lease Determination for Equipment Leases*, dated July 22, 2013

1. **Purpose:** This DIAPR provides policy for the lease or purchase of equipment valued at \$15,000 or more.
2. **Effective Date:** Upon signature.
3. **Expiration Date:** No expiration unless cancelled or superseded.
4. **Background and Explanation:** Federal agencies spend significant dollars per year to lease or purchase equipment, with purchases accounting for most of the spending. The GAO found that contracting officers (COs) from the Air Force and the Department of the Interior generally did not perform lease versus purchase analyses as required by the FAR. The FAR provides that as part of the acquisition planning phase, agencies seeking to obtain equipment consider whether it is more economical to lease equipment rather than purchase it. In the joint memorandum referenced above, requestors of equipment valued at \$15,000 or greater are instructed to perform a lease versus purchase analysis as part of the procurement package submittal to the contracting office.
5. **Action Required:** COs shall ensure that the attached Lease versus Purchase Analysis tool is included in equipment procurement packages estimated at or above \$15,000, before proceeding with the procurement. The program office is responsible for completing the analysis utilizing the automated tool for Lease versus Purchase Analysis on Equipment Acquisition of \$15,000 or More. Procurement packages submitted without the tool or are otherwise incomplete should not be processed. Contracting staff are encouraged to collaborate with the requesting program office to identify the missing information. The policy applies to initial acquisition of equipment, as well as renewal or extension of leased equipment.

6. **Additional Information:** If additional information is required, you may contact Brigitte Meffert, PAM, at (202) 513-0699 or by e-mail at Brigitte_Meffert@ios.doi.gov. Questions related to the Lease versus Purchase Analysis on Equipment Acquisition of \$15,000 or More Tool may be directed to Al Green, PAM, at (202) 513-7542 or by e-mail at Albert_Green@ios.doi.gov.



Debra E. Sonderman, Director
Office of Acquisition and Property Management

Attachment:
Lease versus Purchase Analysis tool
